

Indian Bank

Estimate change



TP change



Rating change



Bloomberg	INBK IN
Equity Shares (m)	1347
M.Cap.(INRb)/(USDb)	1208.2 / 13.2
52-Week Range (INR)	909 / 478
1, 6, 12 Rel. Per (%)	17/42/63
12M Avg Val (INR M)	1350

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	251.8	269.7	302.8
OP	190.0	198.4	223.3
NP	109.2	124.6	136.8
NIM (%)	3.1	3.0	3.1
EPS (INR)	81.1	92.5	101.5
EPS Gr. (%)	30.3	14.1	9.8
BV/Sh. (INR)	490	549	630
ABV/Sh. (INR)	477	543	623

Ratios

RoA (%)	1.3	1.4	1.4
RoE (%)	18.9	18.5	17.8

Valuations

P/E(X)	11.1	9.8	8.9
P/BV (X)	1.8	1.6	1.4
P/ABV (X)	1.9	1.7	1.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	73.8	73.8	73.8
DII	17.8	18.6	17.6
FII	5.6	4.7	4.8
Others	2.7	2.9	3.7

CMP: INR897

TP: INR1,025 (+14%)

Buy

Good combination of earnings quantity and quality

RoA remains best-in-class among peers

- Indian Bank (INBK) reported 3QFY26 PAT of INR30.6b, up 7% YoY (inline).
- NII grew 7% YoY/5% QoQ to INR69b (in line). NIM expanded 5bp QoQ to 3.28%.
- Advances grew 15.4% YoY/3.4% QoQ and deposits rose 12.6% YoY/1.8% QoQ. Consequently, the C/D ratio increased 120bp QoQ to 79.1%. CASA ratio stood at 37.4%, with domestic CASA ratio at 39.2%.
- Slippages improved to INR10b vs. INR11.6b in 2QFY26. GNPA/NNPA ratios continued to improve by 37bp/1bp QoQ to 2.23%/0.15%. PCR stood at 93.2%.
- We increase our earnings estimates by 4.0%/4.5% for FY27/FY28 and anticipate the bank to deliver FY27E RoA/RoE of 1.4%/17.8%. **Reiterate BUY with a revised TP of INR1,025 (premised on 1.5x Sep'27E BV).**

NIMs improve 5bp QoQ; SMA-1 provisioning shored up by INR3.8b

- 3Q PAT of INR30.6b was up 7% YoY/1% QoQ (in line). NII grew 7% YoY/5% QoQ to INR69b (in line). NIM expanded 5bp QoQ to 3.28%.
- Other income grew 19% YoY/3% QoQ to INR25.7b (6% beat). As a result, total revenue rose 10% YoY/5% QoQ to INR94.6b (largely in line). Treasury income increased to INR3.6b from INR1.4b in 2QFY26.
- Opex grew 16% YoY/6% QoQ to INR44.4b (5% higher than est.). As a result, C/I ratio inched up to ~46.9% from ~46.5% in 2QFY26. PPOP grew ~6% YoY/4% QoQ (in line) to INR50.2b.
- Advances grew by a healthy 15.4% YoY/3.4% QoQ to ~INR6.25t, led by retail and MSME loans. Retail loans grew 18.5% YoY/4.4% QoQ. Within retail, housing grew 3.2% QoQ and VF rose 11.9% QoQ. Agri advances increased 2.3% QoQ, MSME rose 5.9% QoQ, and corporate grew by 1.4% QoQ.
- Deposits grew 12.6% YoY/1.8% QoQ. Consequently, the C/D ratio increased 120bp QoQ to 79.1%. CASA ratio stood at 37.4%, with domestic CASA ratio at 39.2%.
- Slippages improved to INR10b vs. INR11.6b in 2QFY26. GNPA/NNPA ratios continued to improve by 37bp/1bp QoQ to 2.23%/0.15%. PCR stood at 93.2%. Credit cost stood at 21bp in 3Q and INBK expects to maintain it.
- SMA-2 book increased to INR43b as two PSU accounts (state government-guaranteed accounts) of INR30b slipped from SMA-0 to SMA-2. The restructured portfolio fell to INR41.3b or 0.66% of loans (vs. 0.72% in 2QFY26).

Highlights from the management commentary

- About ~37% of MCLR book will be repriced in 4Q, which could have some impact on NIMs there (1-2bps impact).
- Last quarter bank made 5% provision for SMA-1 and this quarter they raised it to 10%, so ~INR3.8b provision were made on SMA-1 in current quarter.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- The bank has a good pipeline of INR500b of corporate credit. It has sold IBPC of INR70b in the current quarter.

Valuation and view

INBK reported an in-line quarter, led by steady margins, robust asset quality and healthy loan growth. NIMs improved sequentially and are expected to remain resilient despite MCLR repricing. Advances growth was healthy, while deposits grew by a modest 1.8% QoQ. CD ratio increased to 79%, which still remains comfortable. The bank has made accelerated provisions on SMA-1 again and aims to bridge the entire provisioning gap within the first year of the ECL transition against a prescribed timeline of five years. Asset quality ratios improved, with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit cost. We increase our earnings estimates by 4.0%/4.5% for FY27/FY28 and anticipate the bank to deliver FY27E RoA/RoE of 1.4%/17.8%. **Reiterate BUY with a TP of INR1,025 (premised on 1.5x Sep'27E BV).**

Quarterly performance

Quarterly performance											(INR b)	
Y/E March	FY25				FY26E						FY26E	v/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	3QE	Est
Net Interest Income	61.8	61.9	64.1	63.9	63.6	65.5	69.0	71.6	251.8	269.7	67.4	2%
% Change (YoY)	8.3	7.9	10.3	6.2	2.9	5.8	7.5	12.1	8.2	7.1	5.1	
Other Income	19.1	24.2	21.5	27.4	24.4	24.9	25.7	26.5	92.2	101.5	24.2	6%
Total Income	80.8	86.2	85.7	91.3	88.0	90.4	94.6	98.2	344.0	371.2	91.6	3%
Operating Expenses	35.8	38.9	38.2	41.1	40.3	42.0	44.4	46.1	154.0	172.8	42.3	5%
Operating Profit	45.0	47.3	47.5	50.2	47.7	48.4	50.2	52.1	190.0	198.4	49.4	2%
% Change (YoY)	8.9	9.9	15.9	16.6	6.0	2.3	5.8	3.8	12.8	4.4	3.9	
Provisions	12.6	11.0	10.6	7.9	6.9	7.4	8.6	8.9	42.1	31.8	8.6	0%
Profit before Tax	32.4	36.3	36.9	42.2	40.8	41.0	41.7	43.1	147.9	166.6	40.8	2%
Tax	8.4	9.2	8.4	12.7	11.1	10.8	11.1	9.1	38.7	42.0	9.8	
Net Profit	24.0	27.1	28.5	29.6	29.7	30.2	30.6	34.1	109.2	124.6	30.9	-1%
% Change (YoY)	40.6	36.2	34.6	31.6	23.7	11.5	7.3	15.2	35.4	14.1	8.5	
Operating Parameters												
Deposits (INR b)	6,812	6,931	7,023	7,372	7,443	7,769	7,909	8,123	7,372	8,123	7,902	0%
Loans (INR b)	5,208	5,329	5,421	5,711	5,841	6,052	6,255	6,413	5,711	6,413	6,190	1%
Deposit Growth (%)	9.6	8.2	7.4	7.1	9.3	12.1	12.6	10.2	7.1	10.2	12.5	
Loan Growth (%)	14.1	13.2	10.7	10.9	12.1	13.6	15.4	12.3	10.9	12.3	14.2	
Asset Quality												
Gross NPA (%)	3.8	3.5	3.3	3.1	3.0	2.6	2.2	2.2	4.0	2.2	2.5	
Net NPA (%)	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.4	0.1	0.2	
PCR (%)	90.0	92.5	93.8	93.9	94.3	93.9	93.2	93.6	89.5	93.6	94.1	

E: MOFSL Estimates

Quarterly snapshot

	FY25				FY26			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss (INRb)									
Net Interest Income	61.8	61.9	64.1	63.9	63.6	65.5	69.0	7	5
Other Income	19.1	24.2	21.5	27.4	24.4	24.9	25.7	19	3
Core Fees	7.9	8.9	9.3	9.2	7.9	8.3	10.0	7	20
Trading profits	2.6	3.3	2.6	1.9	3.8	1.4	3.6	39	150
Total Income	80.8	86.2	85.7	91.3	88.0	90.4	94.6	10	5
Operating Expenses	35.8	38.9	38.2	41.1	40.3	42.0	44.4	16	6
Employee	23.0	24.6	24.2	27.0	26.1	26.5	27.9	15	5
Others	12.8	14.2	14.0	14.1	14.1	15.5	16.5	18	7
Operating Profits	45.0	47.3	47.5	50.2	47.7	48.4	50.2	6	4
Core Operating Profits	42.4	44.0	44.9	48.3	43.9	46.9	46.6	4	-1
Provisions	12.6	11.0	10.6	7.9	6.9	7.4	8.6	-19	16
PBT	32.4	36.3	36.9	42.2	40.8	41.0	41.7	13	2
Taxes	8.4	9.2	8.4	12.7	11.1	10.8	11.1	32	2
PAT	24.0	27.1	28.5	29.6	29.7	30.2	30.6	7	1
Balance Sheet (INRb)									
Loans	5,208	5,329	5,421	5,711	5,841	6,052	6,255	15	3
Deposits	6,812	6,931	7,023	7,372	7,443	7,769	7,909	13	2
CASA Deposits	2,659	2,694	2,691	2,829	2,771	2,888	2,957	10	2
-Savings	2,314	2,332	2,335	2,432	2,389	2,486	2,533	8	2
-Current	345	362	356	396	382	403	424	19	5
Loan mix (%)									
Agri Advances	24.6	25.0	25.0	25.2	25.9	25.5	25.3	33	-20
MSME Advances	16.6	16.9	17.3	17.2	17.2	17.3	17.7	42	47
Large Industry	37.7	36.7	35.7	35.8	34.7	34.5	33.9	-171	-56
Retail Loans	21.1	21.4	22.1	21.8	22.2	22.8	23.0	96	29
Asset Quality (INRb)									
GNPA	203.0	191.5	182.1	181.8	180.7	161.3	142.7	-22	-12
NNPA	20.3	14.5	11.3	11.1	10.4	9.8	9.7	-14	-2
Slippages	19.6	13.8	10.2	14.3	13.8	11.6	10.1	-1	-13
Asset Quality Ratios (%)									
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY(bp)	QoQ(bp)
GNPA	3.8	3.5	3.3	3.1	3.0	2.6	2.2	-103	-37
NNPA	0.4	0.3	0.2	0.2	0.2	0.2	0.2	-6	-1
PCR (Cal.)	90.0	92.5	93.8	93.9	94.3	93.9	93.2	-59	-69
PCR (Inc. TWO)	96.7	97.6	98.1	98.1	98.2	98.3	98.3	19	0
Credit Cost	0.7	0.7	0.5	0.8	0.5	0.5	0.2	-26	-30
Business Ratios (%)									
CASA	39.0	38.9	38.3	38.4	37.2	37.2	37.4	-94	21
Loan/Deposit	76.5	76.9	77.2	77.5	78.5	77.9	79.1	190	120
Other income/Total Income	23.6	28.1	25.1	30.0	27.7	27.5	27.1	199	-40
Cost to Income	44.3	45.1	44.6	45.0	45.8	46.5	46.9	234	42
Cost to Assets	1.9	2.0	2.1	2.0	1.9	1.9	2.0	-6	7
Tax Rate	25.9	25.4	22.7	30.0	27.1	26.3	26.5	382	18
Capitalisation Ratios (%)									
CAR	16.5	16.6	15.9	17.9	17.8	17.3	16.6	66	-73
Tier-1	13.9	14.0	13.8	15.9	15.7	15.3	14.5	77	-73
- CET 1	13.4	13.5	13.3	15.4	15.3	14.8	14.5	127	-26
Tier-2	2.5	2.5	2.2	2.1	2.1	2.0	2.0	-11	0
Profitability Ratios (%)									
Yield on loans	8.7	8.8	8.9	8.6	8.6	8.4	8.3	-61	-9
Yield On Investments	7.2	7.2	7.1	7.2	7.0	7.0	7.0	-17	-8
Cost of Funds	5.1	5.2	5.3	5.2	5.2	5.1	5.0	-27	-9
Margins	3.5	3.5	3.6	3.5	3.4	3.3	3.4	-17	6
ROA	1.2	1.3	1.4	1.4	1.3	1.3	1.3	-9	-2
ROE	19.8	21.0	21.0	21.0	20.3	19.6	19.1	-189	-47
Other Details									
Branches	5,846	5,856	5,877	5,901	5,909	5,955	5,965	88	10
ATM	5,093	5,217	5,224	5,268	5,466	5,565	5,624	400	59



Highlights from the management commentary

Opening remarks

- The bank has performed well in credit and NIMs.
- In advances, bulk remained unchanged QoQ.
- Total CASA grew 2.4% QoQ. CASA ratio stood at 37.4%.
- Recoveries stood at INR51.5b for 9MFY26 vs. FY26 guidance of INR60b.
- SMA-2 increased as two PSU accounts moved from SMA-0 to SMA-2, though the bank does not expect this to slip.
- INBK is focusing on CASA and salary accounts and has added more than 1,000 non-SMA accounts in 3Q.
- Account opening saw good traction; in 9M, the bank has surpassed the number of accounts it opened in FY25.
- CRAR/CER-1 are healthy at 16.6%/14.5%.
- Asset quality ratios have seen meaningful improvements.
- Its mobile app rating is 4.4, with branch transaction at 6%.
- Achieved digital business worth INR1.98t.
- Launched a virtual ATM and tied up with 600k + merchants.
- Migrated to cloud for optimal utilization of their hardware.

Advances and deposits

- The bank has reiterated its credit growth guidance of 11-12% and aims to outperform this in FY26.
- Has so far not extended any moratorium to MSME.
- RAM and corporate book mix is expected to be ~65:35 (maintaining this).
- Good pipeline of INR500b of corporate credit.
- Sold IBPC of INR70b in current quarter.
- Seeing good demand in some corporate sector, like green sector.
- Focusing on making deposits more and more granular. Bulk rate for industry has gone up by 20-30bp.
- Expects to maintain or report a slight decline in CASA in 4Q.
- Incremental LTV on retail and MSME jewel loans 65-70% and Agri ~75%.
- Incremental borrowing of bulk rates would be ~6.7-6.8% on blended basis.
- Bulk is currently at ~18% of total deposits, with endeavor to maintain this or lower it going forward.
- Getting ~8.7% yield on gold loans overall.

Yield, cost and margin

- About 37% of MCLR book will repriced in 4Q, which could have some impact on NIMs (1-2bp impact).
- Cost of funds could have some impact next year due to bulk deposit rates.
- ~INR1.4b was the interest saved due to sale of IBPC in current quarter.

Other income and opex

- Expects treasury income of INR3.5b in 4QFY26.
- Due to a change in DICGC formula, DICGC cost has gone up by INR1280m and insurance cost was high. ~INR600mn cost will continue going forward.

Asset quality

- AUCA recovery has reached INR20b as against guidance of INR20b for full year.
- Recovery through NCLT stood at INR3.3b in this quarter.
- Last quarter the bank made 5% provision for SMA-1 and this quarter INBK raised it to 10%, so ~INR3.8b of provisions were made on SMA-1 in the current quarter.
- Two PSU accounts of INR30b slipped from SMA-0 to SMA-2 this time.
- Expects to maintain the same level of slippage ratio going forward.
- Maintains its annual recovery guidance of INR60b, which remains on track.
- SMA-0 accounts stood at INR120b; SMA-2 at INR110b.

FY26 guidance

- Credit growth guidance of ~10-12% for FY26 overall; the bank aims to surpass this guidance.
- NIM: 3.15-3.30% or can surpass that. ~37% of MCLR book will repriced in 4Q, which could have some impact on NIMs (1-2bp impact).
- RoA should remain at ~1.3% for FY26.
- Aims to maintain the current credit cost (+/- 1bp).
- RAM: corporate mix at 65:35
- Recovery target: INR60b

Story in charts

Exhibit 1: Loan book up ~15.4% YoY (up 3.4% QoQ)

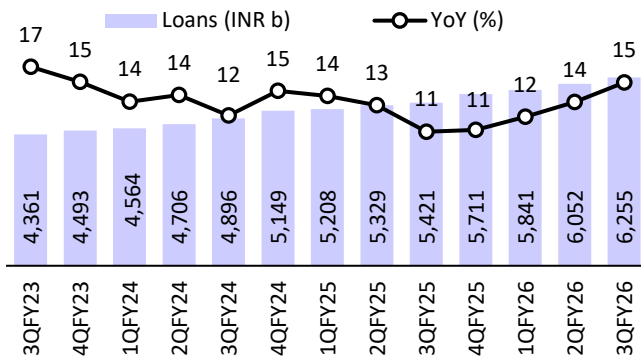


Exhibit 2: Deposits grew ~12.6% YoY (up 1.8% QoQ)

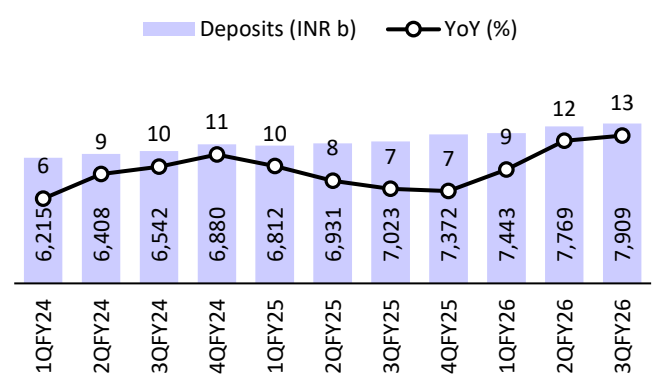


Exhibit 3: Domestic NIM expanded 6bp QoQ to 3.4%

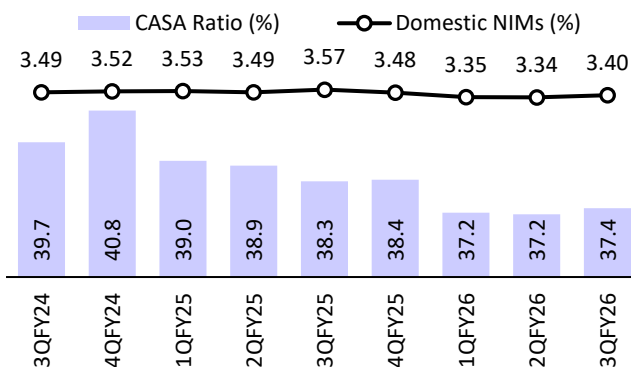


Exhibit 4: Yields on advances moderated 9bp QoQ to 8.3%

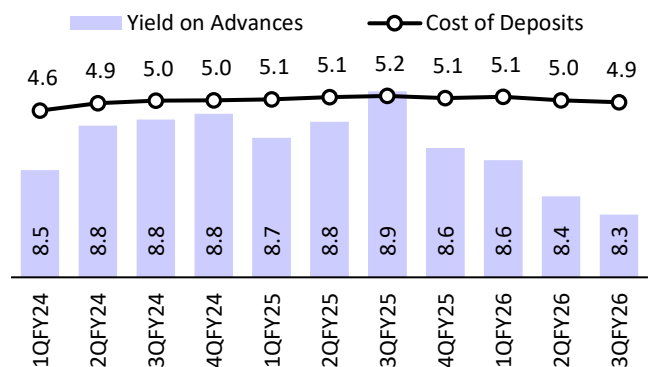


Exhibit 5: C/I ratio increased slightly 42bp QoQ to 46.9%

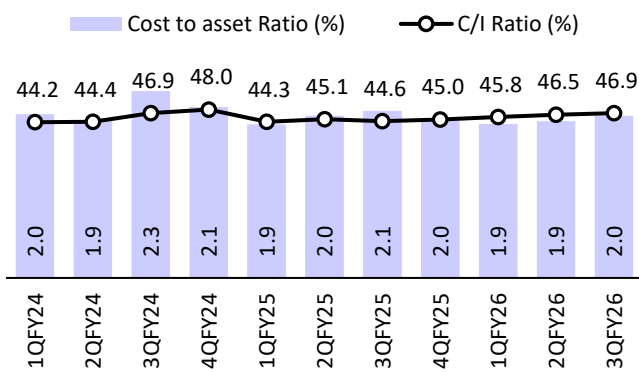


Exhibit 6: CD ratio increased to 79.1%

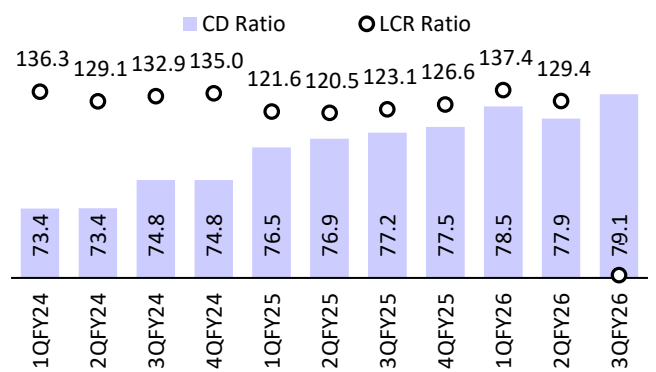


Exhibit 7: Slippages declined to INR10.1b in 3QFY26

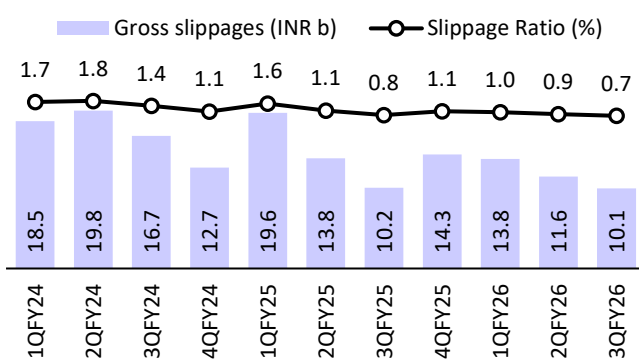
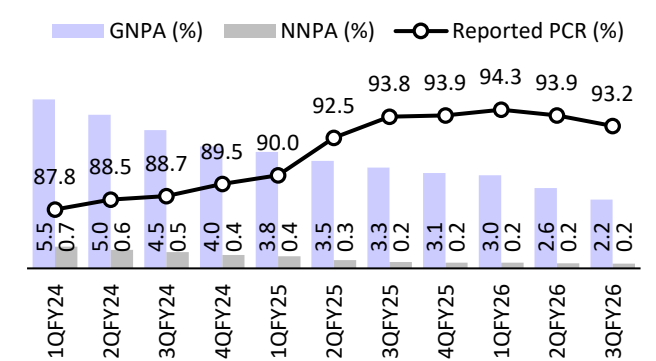


Exhibit 8: GNPA/NNPA ratios improved 37bp/1bp QoQ



Source: MOFSL, Company

Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR1,025

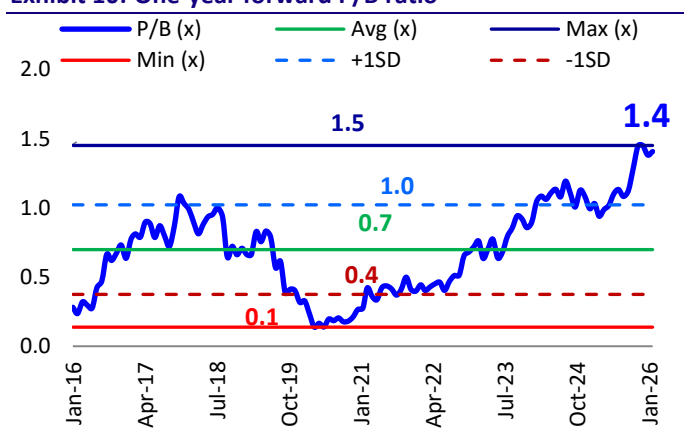
- INBK reported an inline quarter led by steady margins, robust asset quality and healthy loan growth. NIMs improved sequentially and is expected to remain resilient despite MCLR repricing. Advances growth was healthy, while deposits grew at modest 1.8% QoQ; CD ratio increased to 79%, which still remains comfortable.
- The bank has made accelerated provisioning on SMA-1 again and aims to bridge the entire provisioning gap within the first year of the ECL transition against a prescribed timeline of five years. Asset quality ratios improved, with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit cost.
- We increase our earnings estimates by 4.0%/4.5% for FY27/FY28 and anticipate the bank to deliver FY27E RoA/RoE of 1.4%/17.8%. **Reiterate BUY with a TP of INR1,025 (premised on 1.5x Sep'27E BV).**

Exhibit 9: Changes to our earnings estimates

INR B	Old est.			Rev est			Change(%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	266.5	291.8	325.0	269.7	302.8	338.7	1.2	3.8	4.2
Other Income	100.5	109.6	120.5	101.5	110.6	121.6	0.9	0.9	0.9
Total Income	367.0	401.4	445.5	371.2	413.4	460.3	1.1	3.0	3.3
Operating Expenses	170.4	185.8	203.8	172.8	190.1	209.1	1.4	2.3	2.6
Operating Profit	196.6	215.6	241.7	198.4	223.3	251.3	0.9	3.6	4.0
Provisions	31.9	39.8	46.2	31.8	40.5	47.0	-0.1	1.6	1.6
PBT	164.8	175.7	195.5	166.6	182.9	204.3	1.1	4.0	4.5
Tax	41.5	44.3	49.3	42.0	46.1	51.5	1.1	4.0	4.5
PAT	123.2	131.5	146.2	124.6	136.8	152.8	1.1	4.0	4.5
Loans	6,310	6,967	7,705	6,413	7,080	7,831	1.6	1.6	1.6
Deposits	8,035	8,734	9,555	8,123	8,830	9,660	1.1	1.1	1.1
Margins (%)	3.0	3.0	3.0	3.0	3.1	3.1	0.0	0.1	0.1
Credit Cost (%)	0.5	0.6	0.6	0.5	0.6	0.6	-1.0	0.0	0.0
RoA (%)	1.4	1.3	1.3	1.4	1.4	1.4	0.0	0.0	0.0
RoE (%)	18.3	17.2	16.8	18.5	17.8	17.3	0.2	0.6	0.6
EPS	91.5	97.6	108.5	92.5	101.5	113.4	1.1	4.0	4.5
BV	548.4	624.9	708.5	549.4	629.9	718.4	0.2	0.8	1.4
ABV	540.7	613.9	695.0	542.7	622.6	710.6	0.4	1.4	2.2

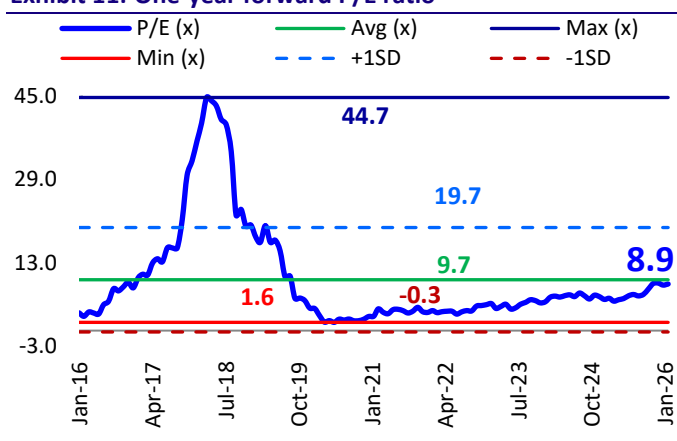
Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio



Source: MOFSL, Company

DuPont Analysis: We estimate RoA at 1.4% over FY27E

Y/E March (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.50	7.40	7.44	7.18	7.13	7.08
Interest Expense	3.58	4.30	4.42	4.23	4.11	4.01
Net Interest Income	2.93	3.10	3.02	2.94	3.01	3.06
Fee income	0.99	0.87	0.98	0.90	0.88	0.86
Trading and others	0.04	0.17	0.13	0.21	0.22	0.25
Other Income	1.03	1.05	1.11	1.11	1.10	1.10
Total Income	3.96	4.14	4.13	4.05	4.12	4.17
Operating Expenses	1.75	1.90	1.85	1.89	1.89	1.89
Employees	1.09	1.23	1.19	1.21	1.22	1.22
Others	0.66	0.67	0.66	0.67	0.68	0.68
Operating Profits	2.21	2.24	2.28	2.16	2.22	2.27
Core operating Profits	2.17	2.07	2.16	1.96	2.00	2.03
Provisions	1.35	0.78	0.51	0.35	0.40	0.43
PBT	0.86	1.46	1.78	1.82	1.82	1.85
Tax	0.09	0.38	0.46	0.46	0.46	0.47
RoA	0.76	1.07	1.31	1.36	1.36	1.38
Leverage (x)	17.4	15.9	14.4	13.6	13.1	12.5
RoE	13.3	17.1	18.9	18.5	17.8	17.3

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	449.4	556.1	620.0	657.7	716.0	782.2
Interest Expense	247.2	323.4	368.3	388.0	413.2	443.5
Net Interest Income	202.3	232.7	251.8	269.7	302.8	338.7
- growth (%)	20.9	15.1	8.2	7.1	12.3	11.9
Non-Interest Income	71.4	78.7	92.2	101.5	110.6	121.6
Total Income	273.7	311.4	344.0	371.2	413.4	460.3
- growth (%)	15.8	13.8	10.5	7.9	11.4	11.4
Operating Expenses	121.0	143.0	154.0	172.8	190.1	209.1
PPoP	152.7	168.4	190.0	198.4	223.3	251.3
- growth (%)	20.1	10.3	12.8	4.4	12.6	12.5
Core PPoP	149.8	155.3	179.5	179.6	200.7	224.2
- growth (%)	31.0	3.7	15.6	0.0	11.8	11.7
Provisions	93.6	58.9	42.1	31.8	40.5	47.0
PBT	59.1	109.5	147.9	166.6	182.9	204.3
Tax	6.3	28.9	38.7	42.0	46.1	51.5
Tax Rate (%)	10.7	26.4	26.2	25.2	25.2	25.2
PAT	52.8	80.6	109.2	124.6	136.8	152.8
- growth (%)	33.9	52.7	35.4	14.1	9.8	11.7

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	12	13	13	13	13	13
Equity Share Capital	12.5	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	467.3	570.4	679.6	759.5	867.8	987.0
Net Worth	479.7	583.9	693.1	772.9	881.3	1,000.5
Deposits	6,211.7	6,880.0	7,371.5	8,123.4	8,830.2	9,660.2
- growth (%)	4.6	10.8	7.1	10.2	8.7	9.4
- CASA Dep	2,608.1	2,804.9	2,828.5	3,127.5	3,523.2	3,931.7
- growth (%)	5.2	7.5	0.8	10.6	12.7	11.6
Borrowings	220.7	231.3	415.1	403.0	454.2	562.8
Other Liabilities & Prov.	192.9	231.0	254.4	292.6	333.5	380.2
Total Liabilities	7,105.0	7,926.2	8,734.1	9,592.0	10,499.1	11,603.7
Current Assets	501.3	421.1	548.7	562.7	561.7	608.3
Investments	1,859.9	2,125.5	2,253.0	2,419.8	2,632.7	2,903.9
- growth (%)	6.5	14.3	6.0	7.4	8.8	10.3
Loans	4,493.0	5,148.9	5,710.7	6,413.1	7,080.1	7,830.6
- growth (%)	15.4	14.6	10.9	12.3	10.4	10.6
Fixed Assets	74.6	75.2	88.3	92.7	98.2	104.1
Other Assets	176.2	155.5	133.4	103.6	126.4	156.9
Total Assets	7,105.0	7,926.2	8,734.1	9,592.0	10,499.1	11,603.7

Asset Quality	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR b)	281.8	211.1	211.1	143.0	148.6	157.7
NNPA (INR b)	40.4	22.2	22.2	9.1	9.6	10.2
GNPA Ratio (%)	6.0	4.0	4.0	2.2	2.1	2.0
NNPA Ratio (%)	0.9	0.4	0.4	0.1	0.1	0.1
Slippage Ratio(%)	1.7	1.4	1.1	0.8	0.9	1.0
Credit Cost (%)	2.2	1.2	0.8	0.5	0.6	0.6
PCR (Excl Tech. write off)	85.7	89.5	89.5	93.6	93.5	93.5

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	6.8	7.6	7.7	7.3	7.3	7.2
Avg. Yield on loans	7.6	8.4	8.3	8.1	8.0	7.9
Avg. Yield on Investments	6.5	6.8	7.0	6.9	6.8	6.7
Avg. Cost of Int. Bear. Liab.	3.9	4.8	4.9	4.8	4.6	4.5
Avg. Cost of Deposits	3.8	4.7	4.9	4.8	4.7	4.6
Interest Spread	2.8	2.9	2.7	2.6	2.6	2.7
Net Interest Margin	3.0	3.2	3.1	3.0	3.1	3.1

Capitalisation Ratios (%)

CAR	16.5	16.4	17.9	16.5	16.6	16.3
Tier I	13.5	14.0	15.9	14.8	15.0	15.0
- CET-1	12.9	13.5	15.4	14.2	14.5	14.6
Tier II	3.0	2.4	2.1	1.7	1.5	1.4

Business Ratios (%)

Loans/Deposit Ratio	72.3	74.8	77.5	78.9	80.2	81.1
CASA Ratio	42.0	40.8	38.4	38.5	39.9	40.7
Cost/Assets	1.7	1.8	1.8	1.8	1.8	1.8
Cost/Total Income	44.2	45.9	44.8	46.6	46.0	45.4
Cost/Core income	44.7	47.9	46.2	49.0	48.6	48.3
Int. Expense/Int.Income	55.0	58.2	59.4	59.0	57.7	56.7
Fee Income/Total Income	25.0	21.1	23.8	22.3	21.3	20.5
Non Int. Inc./Total Income	26.1	25.3	26.8	27.3	26.8	26.4
Empl. Cost/Total Expense	62.2	64.8	64.2	64.3	64.3	64.3

Efficiency Ratios (INRm)

Employee per branch (in nos)	7.0	6.9	6.8	6.9	6.9	6.9
Staff cost per employee (INR m)	1.8	2.3	2.5	2.7	2.9	3.1
CASA per branch (INRm)	450.7	479.4	479.0	513.7	567.4	620.7
Deposits per branch (INRm)	1,073.4	1,175.9	1,248.4	1,334.3	1,422.0	1,525.1
Business per Employee (INR m)	262.5	298.8	326.5	347.1	372.5	401.5
Profit per Employee (INR m)	1.3	2.0	2.7	3.0	3.2	3.5

Profitability Ratios and Valuation

RoE	13.3	17.1	18.9	18.5	17.8	17.3
RoA	0.8	1.1	1.3	1.4	1.4	1.4
RoRWA	1.6	2.0	2.7	2.5	2.5	2.4
Book Value (INR)	358	409	490	549	630	718
- growth (%)	10.7	14.2	19.8	12.1	14.6	14.1
Price-BV (x)	2.5	2.2	1.8	1.6	1.4	1.3
Adjusted BV (INR)	334	396	477	543	623	711
Price-ABV (x)	2.7	2.3	1.9	1.7	1.5	1.3
EPS (INR)	42.4	62.2	81.1	92.5	101.5	113.4
- growth (%)	27.7	46.7	30.3	14.1	9.8	11.7
Price-Earnings (x)	21.3	14.5	11.1	9.8	8.9	8.0
Dividend Per Share (INR)	0.0	12.0	16.3	18.0	21.2	25.1
Dividend Yield (%)	0.0	1.3	1.8	2.0	2.4	2.8

E: MOSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Exhibit 1: Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Exhibit 2: Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Exhibit 3: Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Exhibit 4: Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.